Advertising Age®

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'Gremlins' looms as market-buster

By JAMES P. FORKAN

What must stay away from light and water and *never* be fed after midnight?

Only a select few know the answer now, but in about two months millions of youngsters and adults will also know that's the description of the title characters in "Gremlins," the motion picture produced by Steven Spielberg that's due June 12.

At that time, it may also be clear that "Gremlins" will be this season's "E.T.," a blockbuster movie with enormous implications for merchandise spinoffs.

As usual, Mr. Spielberg has stamped his creation "top secret," warning Warner Bros., the distributor, and the 50 companies that plan tie-ins not to sell products or leak word about the film's story line. Nor can they talk about the characters.

Kindly Gremlins turn evil when wet (r.). Sketches by Mr. Forkan.

(When making "Close Encounters of the Third Kind," Mr. Spielberg had Columbia Pictures Merchandising bar licensees from releasing any products featuring the aliens till the film hit theaters. And while working on Universal Pictures' "E.T.," he used the innocuous working title, "A Boy's Life," to defer attention.)

At the Toy Fair in February, the "Gremlins" toy licensees kept tight security on related merchandise, barring all but major retail buyers from special "Gremlins" display areas and coaching their representatives not to tell the press about the movie.

Despite the veil of secrecy, Advertising Age has since learned some details about the potentially popular characters. Based on reports from various sources, the following picture of the movie and related merchandise emerges.

Officials at LJN Toys, the major licensee, called the movie "heartwarming" and "action-packed," qualities that characterized "E.T."

" 'Gremlins' is the story of little creatures that never get wet, must stay out of bright light and must never, *never* eat after midnight," said Jack Friedman, president of LJN Toys, which also is the major licensee for two other potential blockbuster movies, "Indiana Jones & the Temple of Doom" and "Dune." "Whenever any of these things happen to the creatures, the real adventure begins," he added.

Water causes Gremlins to alter their appearance, multiply and kill, while bright light can kill them. In some forms, Gremlins are known as Mogwais. The box in the "Gremlins" logo is what the creature is kept in when a family buys

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Nestle, Hills coffee deal good news, bad news

By GAY JERVEY
and JENNIFER PENDLETON

In moving to acquire Hills Bros., the San Francisco-based coffee marketer, Nestle Co. will realize a long-contemplated dream—that of entering the ground roast arena in the U.S.

Nestle's action also suggests a determination to shore up the company's listless coffee operation. It's a move that could send shivers down the spines of the small regional roasters—MJB, Butter-Nut, Maryland Club, Luzianne and others—already battling coffee giants Procter & Gamble and General Foods.

"It's only going to get harder for the smaller companies and private labels," said Robert Cummins, a securities analyst with Wertheim & Co., New York. "Never before in the coffee business have so few companies commanded such large share figures."

The comment and reaction follow Nestle's announcement last week that it had acquired an option to buy all Hill Bros. stock. Nestle, whose current coffee brands—none ground roast—are Nescafe, Tasters Choice and Sunrise, would exercise the option in early 1985.

While the acquisition brightens Nestle's coffee prospects, West Coast sources say the proposal has come just in time for Hills Bros. Not only has Hills Bros. suffered from eroding U.S. coffee consumption, but the company also has been unable to cross swords successfully with P&G and GF, which together command more than 60% of the total U.S. coffee business.

Consider the following ad spending figures: Hills Bros. spent less than $500,000 for the first nine months of 1983, compared with nearly $50 million for GF's coffee brands and about $30 million for P&G's Folger's and High Point brands. For the same period, Nestle spent about $20 million on its three brands, according to Leading National Advertisers.

Despite increasingly high ad budgets, however, Nestle has been unable to shake sales sluggishness among some of its U.S. operations. As such, the com-

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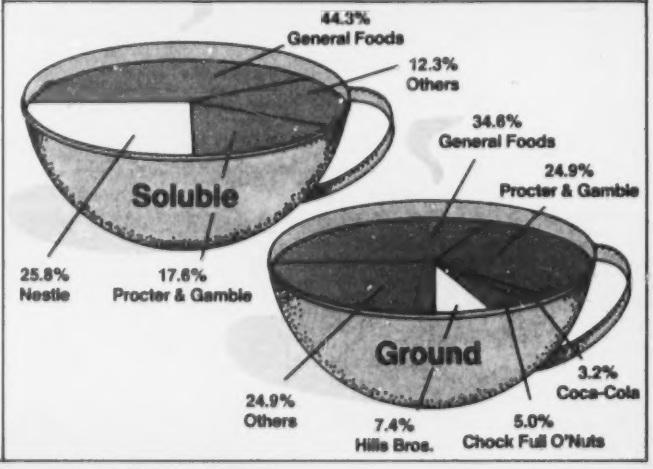
Coffee market shares by category

Nestle and Hills Bros. occupy significant positions in separate segments of the market—soluble for Nestle and ground roast for Hills Bros. Although Hills Bros.' national share in ground roast is small, it leads in retail sales in selected West Coast and Midwest cities. *Source: John C. Maxwell Jr., Lehman Bros. Kuhn Loeb Research. Chart by Amy Palmer.*



CBS wins season; nets curb share loss

By DIANE MERMIGAS

The networks' prime time rankings for the 1983-84 tv season, which ended April 15, haven't really altered from a year ago. But substantial change in day-to-day competition promises to affect dramatically the horse race next fall.

Final averages for the season, which will be available from A.C. Nielsen Co. this week, are expected to show CBS doubling its last-season lead over ABC to nearly one full ratings point. Five-tenths of a ratings point separated the two networks at the end of the 1982-83 season. NBC again will come in third.

It is the fifth consecutive season CBS has led the prime time ratings.

As of late last week, CBS averaged an 18.1 rating, 28.4 share in prime time for the season. ABC averaged 17.3/27.1 and NBC 15/23.5.

CBS won 19 of the season's 28 weeks and tied once with ABC. ABC won seven weeks and NBC one. CBS also was expected to dominate the season's 29th and final week, ending April 15.

This season the networks, perhaps by their rigorously competitive counterprograming, were able to arrest the erosion of their combined share of audience. The networks on the average attracted 79% of all U.S. tv households in prime time compared to 81% during the previous season.

The networks' combined prime time rating this season has been 50.3 compared to 51 in 1982-83.

ABC's "Hotel" is the only new series premiered last fall that has

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last minute news

Fahlgren, Howard Swink holding merger talks

CINCINNATI—Fahlgren & Ferriss and Howard Swink Advertising, Marion, O., are involved in merger discussions that would result in an $85 million agency called Fahlgren & Swink.

Canon USA gets set to introduce video recorder

LAKE SUCCESS, N.Y.--Canon USA will introduce its first videocassette recorder to the trade in June and plans to have it on the market by fall. Tv spots, created by Grey Advertising, will feature California Angels pitcher Tommy John and his family. No budget has been set.

NAACP stops McDonald's boycott during talks

LOS ANGELES—The Los Angeles NAACP Friday said it was suspending its boycott of McDonald's as a "show of good faith" while talks continue between them. The announcement came after a meeting between local NAACP president John McDonald, Los Angeles Mayor Tom Bradley and McDonald's president Michael Quinlan. *(See earlier story, Page 2.)*

Thomas rolling out French Bakery croissants

TOTOWA, N.J.—S.B. Thomas is introducing Thomas original French Bakery croissants in Syracuse and Hartford. They come two to a 4-oz. carton and retail for $1.39 for butter flavor and $1.49 for chocolate and almond. Tv and print, by Dancer Fitzgerald Sample, support. Copy notes, "Thomas croissants are about as French as our muffins are English."

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Roman Meal names two new shops

By JENNIFER PENDLETON

Roman Meal Co., preparing its first major expansion into the grocery products business, has named two additional agencies to its roster.

The family-owned, Tacoma, Wash.-based bread marketer appointed DYR, Los Angeles, to handle undisclosed new products for the grocery products division and Livingston & Co., Seattle, for hot cereals. Cole & Weber continues as agency for Roman Meal's bakery products division.

The appointments mark the first time Roman Meal has assigned agencies specificially for its grocery products division and reflects the seriousness with which the

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New Alamo Basic keys on price

Alpo entry targets Chow

By JANET NEIMAN

Alpo Petfoods is facing mixed reaction from the retail trade as it introduces new Alamo Basic dry dog food, apparently targeted at Ralston Purina's Dog Chow.

The Allentown, Pa.-based company, a unit of GrandMet USA (formerly Liggett Group), is entering the new product into selected East Coast markets, including Baltimore and North and South Carolina, Virginia and West Virginia.

Alamo Basic is priced between private label and generic dry dog foods and premium-quality products. But as a branded product priced to undercut Purina Dog Chow, Alamo Basic appears to be aimed most directly at that brand, the leader nationally.

Alpo, said one source, "wants to get some more [of the] Ralston Purina business."

Alamo Basic will go unadvertised except for some newspaper and in-pack couponing.

But retail buyers in the Baltimore market say that, for various reasons, they don't plan to take on the product, which they see as being most competitive with private labels.

They cite such problems as the need for heavier trade deals and stronger advertising and the lack of consumer demand for another low-price dog food.

"Why would you pick up something priced higher than the private-label brand and maybe take away business from yourself?" asks one Baltimore buyer.

In more rural areas, including the Virginia markets, however, Alamo Basic is said to be having more success.

"In the more metropolitan areas," explained one southeastern source, "people tend to have smaller dogs that stay inside, and they want to feed them premium dog food rather than basic dog food.

"The only difference between Alamo Basic and Alpo Dry is in the flavoring and the protein content," he said.

In his own market, he expects Alamo Basic's business to come from both consumers who have used private-label brands and those who have used Purina Dog

(Continued on Page 81)

P&G picks Pepper for U.S. products

By NANCY GIGES

In a realignment of top management, Procter & Gamble has named John E. Pepper Jr., 45, exec vp with responsibility for all U.S. consumer products except pharmaceuticals.

Formerly group vp in charge of European operations in Brussels, Mr. Pepper is now considered a strong contender to one day succeed president-chief executive officer John G. Smale.

In other moves, Thomas Laco has been promoted to vice-chairman from exec vp.

He will be responsible for staff functions, pharmaceuticals and foodservice operations. He had been responsible for all P&G business in the U.S.

Edwin L. Artzt, head of international, also has been promoted to vice-chairman from exec vp.

Messrs. Laco and Artzt's vice-chairmen positions are newly created, filling the previously singular vice-chairman slot that has remained vacant for several years, a P&G spokesman said. Owen

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Picking up the beat

McDonald's new advertising campaign (AA, Feb. 20) is being called "more contemporary and upbeat" by agency Leo Burnett USA. Ads begin running June 18. *(See story, Page 80.)*

NAACP chapter steps into McDonald's dispute

By SCOTT HUME

The already-heated dispute between McDonald's Corp. and a dissident black Los Angeles franchisee got hotter last week as the local chapter of National Assn. for the Advancement of Colored People took the operator's side and announced a "selective buying campaign" against the fast-food giant.

Additionally, the franchisee, Charles Griffis, filed a second suit against Oak Brook, Ill.-based McDonald's, charging the company with libel and seeking $70 million in compensatory and punitive damages.

He also has hired a black advertising agency, International Communication & Advertising Network, Gardena, Cal., to create a separate ad campaign for his stores.

An "open letter" advertisement signed by NAACP chapter president John McDonald appeared last week in Los Angeles dailies, announcing the action and calling on McDonald's president Michael Quinlan to address the issues "in good faith."

Donald Fields, economic development director for the Los Angeles NAACP, said the organization planned to picket McDonald's restaurants in that city and urge minorities not to patronize them. Black-owned McDonald's would be exempted from the action, Mr. Fields said.

Reginald Webb, McDonald's regional vp for Southern California, who is black, last week said he was "incredulous" that the NAACP "would take such drastic action given our long-term track record" in affirmative action.

The campaign has been launched, Mr. Fields said, because of "allegations from many black owner/operators across the country that McDonald's is highly discriminatory in hiring executives, awarding franchises and purchasing food and supplies."

Although Mr. Griffis has made similar charges in his legal battle with McDonald's, Mr. Fields said the NAACP's action results from what he characterized as "a national pattern" of alleged discrimi-

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highlights

Monday, April 16, 1983

The National Advertising Division of the Council of Better Business Bureaus last month took a case involving Sony Corp. of America to the National Advertising Review Board, a court of last resolve used only when an advertiser and NAD fail to reach an agreement. *See Page 6.*

General Foods' planned purchase of the western division of Oroweat Foods, owned by Continental Grain, will give GF a broader base in fresh-baked goods. *See Page 10.*

George Will explores the world of the yumpies in the Viewpoint section. *See Page 18.*

Restaurant chains are revising menus and competitive strategies in an effort to keep pace with the aging of their target market. *See Page 37.*

CORPORATE CLOSEUP

Granada TV Rental Ltd., which started as a chain of movie theaters after World War I, is betting that Americans will rent tv sets and video hardware just as they rent cars, apartments and houses. *See Page 4.*

Cover photo by M.S. Rezny.

INTERNATIONAL

Mars Inc. and Hershey Chocolate Co., and some non-U.S. companies, are preparing a major push into the hard-to-penetrate Japanese confectionery market, the second-largest in the world next to the U.S. *See Page 46.*

Sweden, for the American marketer, can be a land of strange contradictions. Nudity and sexual permissiveness are common, but drinking is frowned on. Swedes are obsessed with U.S. products and life styles, but scorn American-style politics. *See Page 46.*

Haagen-Dazs, Pillsbury Co.'s premium ice cream brand, is targeting the Far East as a major growth area in a new international push. Last year the company opened two outlets in Singapore and plans to open two more in Hong Kong and one in Taiwan this year. *See Page 48.*

VIDEOTECH

"MacNeil/Lehrer NewsHour" will get a more aggressive marketing campaign when AT&T, the program's sole sponsor, launches a $3 million advertising drive in late May. *See Page 52.*

NBC-TV may be using interactive tv weekly in prime time next fall. Brandon Tartikoff, president of NBC Entertainment, says NBC is attempting to be on the leading edge of the recent trend of using two-way tv. *See Page 56.*

MAGAZINE

The craft of advertising flourishes far from Madison and Michigan Avenues as evidenced by the Dodge City, Kan., and Lexington, Ky. agencies profiled in the first of a three-part series. *See Page M-4.*

Direct Marketing: Clearly, it's the hot medium of the 1980s. The industry has shown great progress, technological advance, success in reaching targeted markets and a pervasive use by marketers of all types of products and services. *See Page M-9.*

The Chilean advertising industry has its share of ups and downs—reflecting the odd state of business apparent throughout the region. *See Page M-67.*

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IPG's Wilen to be scout on barter

By STEWART ALTER

New York—In his new position as senior vp-development and professional services at Interpublic Group of Cos., Arthur E. Wilen will oversee Interpublic's possible involvement in a barter operation and its potential acquisition of a public relations company.

Mr. Wilen, who had been exec vp-media director at Marschalk Co., one of the Interpublic agencies, will take his new position May 1. He will be "exploring all kinds of opportunities," said Peter Dailey, Interpublic vice-chairman. "Barter is one, public relations is another, acquisitions is a third, new market segments is a fourth."

Mr. Wilen's function at IPG is not entirely new, Mr. Dailey added, noting that Donald M. Casey had similar responsibilities before joining Young & Rubicam last January as director of business development-worldwide.

Mr. Dailey said Mr. Wilen's general business experience, as much as his media directing role, explains his new job. Before joining Marschalk, Mr. Wilen was president of U.S. operations for Canada Dry.

Interpublic currently has no sep-

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Direct marketers outline goals, troubles

Boosting image, product development among priorities

What does the direct marketing industry view as its key challenges and opportunities in the coming year? How do direct marketers feel they are going to cope with the pressing issues? Some of the answers are revealed in the first Direct Marketing Assn.-sponsored trend survey of members. Robert Kaden, president of Goldring & Co., Chicago, analyzed survey results for a recent DMA executive conference. Following are highlights of what Mr. Kaden calls "a benchmark of member attitudes" that will provide "a roadmap of opportunities and problems facing direct marketers."

"They seem to have been more concerned with selling unique products or just generating response."

The industry seems generally to be expecting an improved economic picture in the coming year. More than one-third of the 700 respondents to the DMA survey believe a brighter economic outlook will be extremely important to the growth of their business in the next 12 months. And almost 80% felt that the economy would be extremely or very important. "It's interesting," Mr. Kaden says, that the periodical direct marketers had a much more optimistic outlook than those in the financial fields.

Supporting the bright economic outlook, Mr. Kaden notes, "less than 20% thought that interest rates or a rise in inflation would be an extremely important problem" affecting their business.

Yet, the service companies—mailing services, computer services, printers, the envelope and paper manufacturing people—and nonprofit or fundraising executives are much more concerned about interest rates and inflation than business-to-business marketers.

One finding that surprised Mr. Kaden was the degree to which direct marketers seem concerned about image. The survey indicated that fully half thought developing an image that differentiates them from the competition would be extremely important to their business in the coming months.

"I think this is just absolutely amazing considering direct marketers in the past haven't been too concerned with image and differentiating themselves," Mr. Kaden says. "They seem to have been more concerned with selling unique products or just generating response."

He speculates that "as more and more competition develops for the consumer's direct dollar" marketers are becoming more concerned about the way consumers see them.

In light of other findings, however, Mr. Kaden wonders how direct marketers think they are going to effectively accomplish image shifts or bolstering.

The survey showed that only 1% "indicate that using radio, tv or even general print media to support direct marketing efforts are important opportunities in the coming year."

Says Mr. Kaden, "If these image-building media aren't important, I wonder how [direct marketers] see themselves building an image and differentiating" themselves. He feels direct marketers "may be kidding" themselves if they feel more traditional direct methods of communicating with customers will help them quickly develop a differentiating image. "If image is important, as an industry we better start asking ourselves how we can make general media economical for us to use," he advises.

And if image is a concern, the kinds of products and services they will have to offer is seen as a major challenge to continued growth.

The ability to develop profitable new products and new services in the next 12 months was especially of concern among business-to-business, financial and noncatalog direct marketers.

Aligned with this, Mr. Kaden reports, almost one-third of those responding to the survey see the ability to develop new consumer benefits and services that differentiate them from competition as an extremely important problem. And more than two-thirds acknowledge this is either extremely important or very important.

Similarly, the development of new and unique creative formats for direct mail pieces rates high as a concern. Almost 30% saw this as a major challenge, particularly those in periodicals, fund raising and financial services.

Again, Mr. Kaden feels that direct marketers may not be taking the steps needed in the area of product development. "You would think that with such emphasis placed on developing new products, new services, and new creative formats" that the industry "would turn to consumer research to help determine what customers want," he says, adding that "unfortunately this does not seem to be a technique that [direct marketers] feel can help develop those new services and new products."

He reports that only about 15% feel there is an important opportunity in using attitude and behavior research methods to determine better ways of serving present customers or in using consumer attitude and behavior methods for new product development.

"The financial services people are looking more to attitudinal research to help them in this regard," Mr. Kaden says, "but as an industry, we seem to be saying: 'We want to develop new services; we want to develop new products, but as yet we don't really see attitudinal research as that helpful.'"

And from Mr. Kaden's point of view this failure to look at these types of research methods is a mistake. He feels direct marketers *should* start talking to customers "and looking at the situation from their standpoint. In other words, adapt a more consumer goods companies' approach in looking for new products and services."

If direct marketers are still wary of consumer-type research tools, more traditional research methods "such as using customer data segmentation techniques for better targeting, using customer demographics, and using geo-demographics segmentation" are in favor.

While almost 25% of DMA members surveyed believe geo-demographic methods are extremely important, "it really is the financial people who are emphasizing geo-demographics. The book and the record people, for instance, do not see geo-demographics as a major opportunity for growth in the next 12 months," Mr. Kaden says.

A substantial number also feel it is extremely important to pretest prior to rolling out. It seems the use of pre-testing, which is a traditional direct marketing technique, is continuing to be viewed as important.

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The top 25 direct marketers
Sales volume generated through direct marketing

Company	Sales volume ($ millions) 1983	1982
Sears Merchandise Group	$2,092.0	$1,886.6
J.C. Penney	1,652.0	1,537.0
Montgomery Ward (Mobil Corp.)*	1,190.0	1,145.0
Colonial Penn Group	615.0	548.0
Spiegel Inc.	512.0	395.0
Fingerhut & Figi's (American Can Co.)	512.0	400.0
Time Inc. (magazines only)	385.0	320.0
Franklin Mint (Warner Communications)	378.0	410.0
New Process Co.	268.0	235.0
McGraw Hill Inc.	254.0	215.0
Columbia House (CBS)	220.0	200.0
Hanover House Industries (Horn & Hardart Co.)	215.0	140.0
L.L. Bean Inc.	205.0	192.0
American Express (TRS Co./merchandise sales only)	180.0	150.0
Herrschners, Brookstone, Jos. A. Bank Clothiers (Quaker Oats Co.)	152.0	120.0
Avon Direct Products	144.0	121.0
Grolier Inc.	135.0	147.0
AT&T Communications	120.0	100.0
Jackson & Perkins, Harry & David's, Bear Creek (Bear Creek Corp.)	111.0	110.4
Wausau Insurance Co.	110.0	—
RCA Direct Marketing	110.0	100.0
World Book Encyclopedia (Scott & Fetzer Co.)	105.0	100.0
New England Business Service	103.0	91.6
Spencer Gifts (MCA Inc.)	101.5	85.0
Amba Marketing Systems (The MacDonalds Co.)	100.0	70.0

Source: DMA research department. Based on figures provided by participating companies surveyed Dec. 1983 to Feb. 1984.
*Includes Signature Financial/Marketing Services direct marketing sales.

How they sell directly
Total estimated direct advertising expenditures (1977-1983)

	(in $ millions) 1983	1982	1981	1980	1979	1978	1977
Coupons	182.1	127.1	94.6	84.2	72.0	61.0	84.0
Direct mail	12,692.2	11,359.4	10,566.7	9,998.7	8,876.7	7,298.2	6,966.7
Consumer magazines	188.7	167.0	150.0	135.0	123.0	99.8	86.2
Business magazines	73.9	66.0	59.0	53.0	47.0	49.4	49.4
Newspapers	80.5	70.6	73.0	60.6	54.4	58.0	42.8
Newspaper preprints	2,850.0	2,500.0	2,288.5	2,032.4	1,779.5	1,390.0	1,086.0
Telephone	13,608.3	12,935.6	11,467.0	9,845.0	8,555.6	8,555.6	7,699.0
Television	386.5	339.0	295.0	253.0	217.0	265.0	340.7
Radio	37.0	33.0	29.0	26.0	23.0	N/A	N/A
Total	30,099.2	27,597.7	25,022.8	22,487.9	19,748.2	17,777.0	16,354.8

Source: Direct Marketing Assn. Note: Creative costs not included in any of the above figures.

Seeking creativity among the teaser envelopes

Direct ad makers find some future inspirations in the past

By M. Howard Gelfand

Direct response advertising's only living legend is taking refuge from the New York City winter at a bruised and battered Holiday Inn in West Palm Beach, Fla. John Caples is 84 now, and his back is bent from a nasty fall. A cane supports him as he looks across the street to the Atlantic Ocean.

But his gray-blue eyes are clear and so is his memory as he remembers the day, more than 55 years ago, when the former phone company engineer turned adman wrote the lines that etched his name in the annals of advertising immortality:

They Laughed
When I Sat Down
At the Piano
But When I Started to Play!

Advertising has created many a star since that day when the 27-year-old Mr. Caples struck gold.

When Mr. Caples wrote his legendary piece, direct marketing wasn't quite so exacting a science.

"Where's The Beef?" has replaced "Do You Make These Mistakes in English?" as the most familiar commercial question, and Michael Jackson has supplanted the Doublemint Twins as the most omniscient singer of what used to be called a jingle.

But the stars strut their stuff in the blinding spotlight of general advertising, a medium that seems to be producing hits the way McDonald's, or at least Wendy's, produces hamburgers.

Direct response advertising, meanwhile, remains an obscure science, a science that hasn't produced a big name since that long past time when Mr. Caples was the hottest thing going and Max Sackheim was writing ads for the Sherwin Cody School of English.

When Mr. Caples wrote his legendary piece, the medium wasn't quite so exacting a science. Sweepstakes and the computer lay ahead; in their place was the freer, narrative style of writing that most closely mimicked fiction. This sort of advertisement set scenes, employed dialog and often required the writer to assume a persona:

Instantly a tense silence fell on the guests. The laughter died on their lips as if by magic. I played through the first bars of Liszt's important Liebestraume. I heard gasps of amazement. My friends sat breathless—spellbound.

I played on and as I played I forgot the place around me. I forgot the hour, the place, the breathless listeners. The little world I lived in seemed to fade —seemed to grow dim—unreal.

Only the music was real. Only the music and the visions it brought me . . .

Some 1,600 miles from Mr. Caples' current winter hideaway, there's someone with a theory about the dearth of creativity in direct advertising now. If you had to pick a likely candidate to inherit Mr. Caples' crown, Rod Kilpatrick might be your man. He's young enough—29—and, like Mr. Caples, he got into the direct marketing side of advertising because that's the only side that would have him. Like Mr. Caples, he made his mark quickly, and now is a copywriter at Fallon McElligott Rice in Minneapolis.

But if Mr. Kilpatrick represents the future of direct response advertising, he does so with a reverence for the past.

"That ad," he says of Mr. Caples' classic, "was a brilliant ad for any age. Direct marketing has been in a downslide ever since."

As Mr. Kilpatrick sees it, that downslide—that utter absence of creativity—is the major reason that direct response advertisers are clouded by obscurity.

"Today," he says, "a copywriter would write: 'Now Learn How to Play the Piano in Your Own Home.'"

But there does seem to be a growing emphasis on creativity. Maybe it's just talk at this point, but many direct response advertisers claim that the burgeoning use of the medium has created an influx of clients and professionals who insist upon the same standards that are applied to general advertising.

All this interest in creativity may or may not have enhanced the medium, but it *has* produced an award—the Maxwell Sackheim Award.

While another advertising award is not exactly enough to stop the earth from orbiting these days, awards for direct advertising are another thing.

There are only a couple of awards shows for the direct marketing crowd. And so it was news last year when the Sackheim Award was added to the Caples Show as the crown jewel for the most original advertising in di-

(Continued on Page M-64)

Following some of the effective design techniques used in general print advertising, this direct mail piece differs in that it arrived in a 2-ft.-long unmarked black envelope—complete with coupon.

Mail campaign gives client a lift

The Rise Inc. campaign is a sterling example of effective direct response advertising. But not necessarily because it won an award.

The people at the Minneapolis company that employs handicapped people for bindery work know that only too well.

In 1977, a group of ad people who worked for various Twin Cities agencies offered to put together a campaign for Rise on a volunteer basis. What came out of the project won two Andy Awards.

The only problem was that the campaign never existed, except on paper and tape. In fact, the volunteers' efforts left Rise with such an ugly hangover that the company was reluctant to accept Bozell & Jacobs' similar offer.

Rise public relations manager Beth DePoint recalls that the volunteers "went on the premise that we were a poor group of handicapped people and please help us because we need the work. It was so demeaning and it was the complete antithesis of what we wanted the public to view us as."

Even worse, it would have cost Rise more than $100,000 to implement the campaign—an unrealistic expense for a company with a total annual operating budget of only about $1 million.

"It made me wary when Bozell approached us," says Ms. DePoint. "I'd been stung before. But they were so enthused and impressed with what was going on here that I thought we'd give it a shot. And as it went along they were so on target with the thing we wanted to project that I can't remember ever having to ask them to change a word."

The approach chosen by writer Rod Kilpatrick and art director Julie Vanatta was actually a bit sly—almost like a politician who says, "I'm running on the issues, not on the fact that my opponent was once convicted of tax evasion."

By stressing that Rise wasn't trying to get work because many of its employes are handicapped, the campaign reminded potential clients that they *were* handicapped.

Rise "suggested we completely sidestep the issue of them being handicapped," says Mr. Kilpatrick. "It seemed to me that they had to address the whole matter of them being handicapped. They had to be proud of it, but they had to get the people to notice their substantial work."

And so the result was a campaign that pleased different people for different reasons. The Caples Award committee was impressed by the creativity. The Rise people were impressed by the honesty of the image.

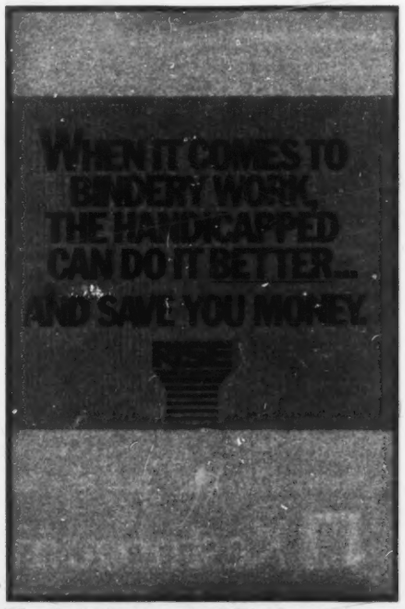
And the targets of the mailing? The fact that six of the 105 who originally got the package hired Rise indicates the campaign worked.

Dave Olson, who runs a print shop in St. Paul, got the package the other day and quickly asked Rise to bid on a project.

"It was very informative," says Mr. Olson. "It really caught our eye. It actually shows you what they do. I'd never seen a piece like this before, one that has this much work put into showing what they do."

The way Mr. Olson tells it, his interest was piqued by pragmatics, not creativity. But, then, creativity isn't supposed to hit people over the head. When it does, it's called pretension.

—*M.H.G.*



The fact that most of Rise's employes are handicapped was presented as an asset rather than a liability.

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Brokers making lists and checking them twice

While interviewing a source for this story, Ms. Norris received a second telephone call through her "call waiting" feature. She put her source on hold, only to be interrupted by a local builder who wanted to congratulate her and her husband on the purchase of their first home. "We can offer you remodeling inside or out," the cheerful voice told her.

In answer to her question, the caller explained he had gotten his sales lead from the voter's registration list of new additions in her precinct. After explaining she was not now in the market for remodeling, Ms. Norris returned to her story on solicitation by lists and phone.

By Eileen Norris

So, you say you have a pink flamingo tattoo to sell and you think the readers of *Dirt Rider* magazine might be interested? Maybe you want to reach a bunch linked simply as "gamblers from Atlantic City" because you know they would love the tabletop slot machine your company is peddling?

Or, perhaps your company has a miniature solid gold egg that could be a dandy paperweight for the high-ticket buyers at Neiman-Marcus or the 25,000 reported millionaires in the U.S. who subscribe to *The Robb Report*. Where *do* you go?

To the experts, my friends. No feat is too big (or strange) an order for the mailing list business, which has logged a lot of names and addresses since its unremarkable debut in 1872. That was the year a fellow named Aaron Montgomery Ward mailed out a one-page catalog to a list of midwestern farmers. Today, Montgomery Ward & Co., now a giant retailer and mail-order cataloger, is one of the few businesses that steadfastly refuses to rent out its customer mailing list.

But mailings lists are big, big business. Like Hollywood stars with agents, mailing lists have managers and brokers to see that their "star" is rented out on a steady basis. Companies are even starting to count on their rental lists as operating income, not the little splash of petty cash formerly tripped over at the end of the fiscal year.

In the last five years, the mailing list business has become increasingly sophisticated, computerized and targeted. One list broker contends that the "right" mailing list accounts for 60% of the sale. The actual item being offered is only 30% on the importance scale, and the copy in the message only a mere 10% of the sell.

Targeting the right audience, such as the proven mail order buyers touted in this ad from American List Counsel, is becoming more important.

"Lists *can* be extremely reliable, depending on the work that's put into them," says Marcia Cinamon, president of Cinamon Associates, a direct mail/reponse company and list broker in Brookline, Mass. "But you have to go beyond what is available," she points out. "You have to be a good detective, and creative."

Because list cards detailing what is available for rent go to all of the 100 or so estimated list broker companies in the country—they are the middlemen between the list owner and the mailer—any company using a broker should expect much more than just getting a list of the available lists, experts say.

"No one broker or list manager has an edge over the other," says Steve Millard, president of the Peterborough, N.H., company bearing his name. "We all have access to the same mailing lists. The big thing is knowing what 'selects' to look for in the list. Over the years, a list broker will accumulate facts and experience that the client just won't have. The client may know what lists are available for a particular mailing, but I know what list or lists will probably work," he says.

A list broker's job is to cull through information to get at the client's audience profile and then came up with recommendations for a particular mailing, says Ralph Stevens, chairman of the newly formed Mailing List Users & Suppliers Assn. (ML/USA) and president of Woodruff-Stevens & Associates, a list management company in New York.

"It's a whole art and science," he says. "And you just don't try one list. A list broker should come up with 15 to 20 lists, each of which will have its own dynamics. A large-scale mailer may want to try 30 different lists or test each list by sending out to 10,000 or so on each one."

A business or organization wanting to rent a list should ask the list broker or manager when the list was compiled and tested, when it was maintained and what kind of performance rate it has, Ms. Cinamon says. "With a direct response list for mail order, one would want to know if those customers ever bought through the mail before, how much was spent and what products were purchased," she says.

"A large-scale mailer may want to try 30 different lists or test each list by sending out to 10,000 or so on each one."

Targeting the right audience and customer is becoming increasingly important as rising mailing costs and intense competition force marketers to zero in on their most likely prospects much more precisely, says Jack Oldstein, president of Dependable Lists, New York.

"With the average mailing piece costing more than 25¢, it's simply not cost-effective to prospect broadly without extensive research, consultation, testing and analysis," he insists. A list broker should be able to come up with a mailing list that closely resembles the profile of the audience the mailer is attempting to reach, Mr. Oldstein says.

"A mediocre mailing package sent to an excellent list will generally prove more profitable than an excellent mailing package sent to a mediocre list," says Mr. Oldstein. "But the best bet is a combination strong offer

Eileen Norris is a Chicago area free lance writer and frequent contributor to Magazine.